

FEMA's Safeguarding Tomorrow Revolving Loan Fund Program

The [Safeguarding Tomorrow through Ongoing Risk Mitigation \(STORM\) Act](#) became law on Jan. 1, 2021. This Act authorizes FEMA to provide capitalization grants for eligible entities to make funding decisions and award loans directly to local communities. Eligible entities are states, eligible federally recognized tribes, territories, and the District of Columbia.

These revolving loan funds provide hazard mitigation assistance for local governments to reduce risks from natural hazards and disasters. The Act amends the [Robert T. Stafford Disaster Relief and Emergency Assistance Act](#).

For more details about each of these sections and information about the Environmental and Historic Preservation Review process, visit the [Safeguarding Tomorrow Revolving Loan Fund Program webpage](#).

Eligibility

The [STORM Act](#) allows FEMA to award capitalization grants for eligible entities to make funding decisions and award loans directly to local communities.

Eligible entities are:

- States
- Federally recognized tribes that received a major disaster declaration pursuant to Section 401 of the Stafford Act
- Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands District of Columbia

FEMA has determined that 20 Tribal Nations have a qualifying major disaster declaration. That list includes but may not be limited to:

- Cahuilla Band of Indians



- Confederated Tribes of the Colville Reservation
- Eastern Band of Cherokee Indians
- Havasupai Tribe
- Hoopa Valley Tribe
- Karuk Tribe
- La Jolla Band of Luiseño Indians
- Muscogee (Creek) Nation
- Navajo Nation
- Oglala Sioux Tribe
- Poarch Band of Creek Indians
- Ponca Tribe of Nebraska
- Pueblo of Acoma
- Resighini Rancheria
- Sac and Fox Tribe of the Mississippi in Iowa
- Santa Clara Pueblo
- Seminole Tribe of Florida
- Soboba Band of Luiseño Indians
- Standing Rock Sioux Tribe
- Tohono O'odham Nation

Local Governments

Although local communities cannot apply directly to FEMA for capitalization grants, communities can apply to participating entities for low-interest loans. Loan recipients must have an approved hazard mitigation plan. These loans will allow local jurisdictions to reduce vulnerability to hazards, foster greater community resilience and reduce disaster suffering.

Preparing to Apply for a Safeguarding Tomorrow RLF Capitalization Grant

Establish a Revolving Loan Fund

To apply, eligible entities must establish a revolving loan fund to be administered by the agency responsible for emergency management. Some entities may be able to rely upon existing loan mechanisms to satisfy this requirement. Entities interested in applying must complete a **capitalization grant application**, develop



an **Intended Use Plan** and a **local government project proposal list**. FEMA will require applications to include local government project proposals for which a **public notice** was provided at least six weeks prior to submitting a capitalization grant application. Additionally, the Intended Use Plan must be provided for public comment and review before submitting a capitalization grant application.

Hazard Mitigation Plan

Entities must have a hazard mitigation plan as defined in [Title 42 United States Code Section 5165](#). FEMA will require applications to include a description of vulnerability assessments and a description of how local government project proposals conform with the hazard mitigation plan of the entity and the local government.

Cost-Match

Capitalization grant recipients must deposit an amount that is at least 10% of the amount of the grant into the loan fund, as a condition of receiving funding.

Applying

- To apply for funding made available, applicants must adhere to the application and funding deadlines. The application period opens on **Feb. 1, 2023**.
- Eligible applicants must apply for funding using the **Non-Disaster (ND) Grants management system**. Applications must be received by **April 28, 2023 (3 p.m. Eastern Time)**.
- The period of performance for capitalization grants will be 24 months from the date of award. The projected period of performance start date will vary by award.

Revolving Loan Cycle

A **revolving loan fund** is a funding mechanism where loans are issued from the administering entity to eligible recipients for a project, and then after the project is completed, the loans are repaid to the loan fund with interest.

FEMA provides funding to states and tribal governments via a capitalization grant. The participating state, territorial, or tribal government deposits an amount that is



at least 10% of the capitalization grant into an established entity loan fund. FEMA will monitor the use of funding through reporting mechanisms and audits.

- The entity loan fund provides assistance to local governments to expedite eligible mitigation activities in their communities with greater flexibility and autonomy.
- The lender entity is responsible for monitoring project progress and loan repayment from local communities.
- As local governments repay loans, these funds can be utilized for new loans.

Allowable Uses of the Safeguarding Tomorrow Program

FEMA will provide capitalization grants for entities to establish revolving loan funds for mitigation projects and activities to increase resilience and mitigate the impacts of events such as drought, extreme heat, severe storms, wildfires, floods and earthquakes.

- FEMA will not limit or restrict project types beyond the limitations in statute
- Loans may be used as a non-federal cost match for another HMA grant application.
- FEMA will not require entities to submit a benefit-cost analysis.

